

THE PENNSYLVANIA INDUSTRIAL DEVELOPMENT AUTHORITY

CHAIRMAN'S BRIEFING

June 4, 2014

The Chairman's Briefing of The Pennsylvania Industrial Development Authority (PIDA) was held on June 4, 2014, in the 4 East Conference Room, Commonwealth Keystone Building, 400 North Street, 4th Floor, Harrisburg, Pennsylvania. The meeting was called to order by Carolyn Boser Newhouse, who chaired the meeting for the Honorable C. Alan Walker, at approximately 9:30 a.m. The following members were present: the Honorable Glenn E. Moyer, Janis Herschkowitz, Roy A. Powell, Nick A. Rodriguez-Cayro and B. Michael Schaul and the following four members via telephone: John Kameen, Joseph Martz, David Nasatir and Robert Phillips. Also present were PIDA Staff: Scott Dunkelberger, Kevin Rowland, Laurie Henry, Nicholas Horting, Frank Tokarz, Mike Cortez, Tim Anstine and Christopher Houston, legal counsel; and James Bowman, financial consultant to the Authority. Ms. Newhouse reviewed new loan applications and special requests with the Board. The meeting was adjourned.

THE PENNSYLVANIA INDUSTRIAL DEVELOPMENT AUTHORITY

June 4, 2014

The regular meeting of The Pennsylvania Industrial Development Authority (PIDA) was held after proper notice was given pursuant to the terms of the Act of July 3, 1986 (the "Sunshine Act"), on June 4, 2014, in PUC Hearing Room #1, Commonwealth Keystone Building, 2nd Floor, Harrisburg, Pennsylvania. The meeting was called to order by Carolyn Boser Newhouse, who chaired the meeting for the Honorable C. Alan Walker, at approximately 10:20 a.m. The following members were present: the Honorable Glenn E. Moyer, Janis Herschkowitz, Roy A. Powell, Nick A. Rodriguez-Cayro and B. Michael Schaul and the following five members via telephone: Jared Grissinger for the Honorable George E. Greig, John Kameen, Joseph Martz, David Nasatir and Robert Phillips. Also present were PIDA Staff: Scott Dunkelberger, Kevin Rowland, Laurie Henry, Nicholas Horting, Frank Tokarz, Mike Cortez, Tim Anstine and Christopher Houston, legal counsel; and James Bowman, financial consultant to the Authority. The following persons were also present: John Sider, Office of Senator Vincent Hughes; David Mackley, Franklin County Area Development Corporation; Ben Gabler, Gabler Trucking, Inc. The following persons participated via teleconference: Patricia Windsor, Economic Progress Alliance of Crawford County; Karen Clark, EIDCO, Inc.; Anita Kuchcinski, First National Bank; Beatus "Butch" Grimm, Grimm Industries, Inc.; John Kingsley, Northampton County New Jobs Corporation; and Rich Follett, Follett Corporation. The Board approved the minutes of the May 7, 2014 PIDA Board Meeting and the bills received during the previous month (see following page).

Bills June 4, 2014 PIDA Board Meeting

Reinsel Kuntz Leshner, LLP

PIDA Financial Consultant

Services rendered April 28, 2014 through May 23, 2014

\$9,941.50

\$9,941.50

General Gov't. Appropriation

April 2014 wage alloc: Exec, Legal, Admin

\$114,353.09

May & June 2014 wage alloc: Exec, Legal, Admin (estimated)

\$129,979.66

\$244,332.75

GRAND TOTAL:

\$254,274.25

NEW LOAN APPLICATIONS

The following applications were voted on and unanimously approved unless otherwise indicated below. Confidential financial information reviewed by the Board has been omitted.

THE PENNSYLVANIA INDUSTRIAL DEVELOPMENT AUTHORITY SUMMARY LOAN APPLICATION					PIDA #	9568							
					DATE:	June 4, 2014							
APPLICANT (Industrial Development Agency): Economic Progress Alliance of Crawford County													
ADDRESS: 789 Bessemer Street, Meadville, Pennsylvania 16335													
PERSON TO CONTACT: Patricia J. Winsor				TELEPHONE NUMBER: 814-333-2299									
COMPANY (If this company (or affiliate) has ever had a PIDA loan, please check box)													
Occupant: MAJR Products Corporation				Beneficial Owner: HSG Real Estate, LLC									
PRESIDENT:		MAILING ADDRESS:			TELEPHONE NUMBER:								
Donald Hester		17540 State Highway 198, Saegertown, Pennsylvania 16433			814-763-3211								
PRODUCT:		NAICS #	PERSON TO CONTACT AND TITLE:			TELEPHONE NUMBER:							
EMI/RFI Shielding		3344	Donald Hester, President			814-763-3211							
TYPE OF ENTERPRISE:													
<input checked="" type="checkbox"/>	Manufacturing	<input type="checkbox"/>	Regional or National Headquarters	<input type="checkbox"/>	Research & Development	<input type="checkbox"/>	Agri-Business						
<input type="checkbox"/>	Warehouse & Terminal	<input type="checkbox"/>	Industrial	<input type="checkbox"/>	Computer or Clerical Operation Center								
TOTAL EXISTING EMPLOYMENT (Include parent, subsidiaries & affiliates)				Check box if SMALL BUSINESS									
Pennsylvania		18		Worldwide, Include Pa.		18							
				(Less than 50 existing employees)									
				<input checked="" type="checkbox"/>									
EMPLOYMENT THIS SITE ONLY:				TOTAL	PAYROLL (Annually)	AVERAGE WAGE (Annually)	AVERAGE HRS. WORKED (Weekly)	ADD % BENEFITS					
Existing Employment (Include jobs transferred to this site)				18	\$790,000	\$43,889	40	24.7%					
New Employment in Three Years (Do Not Include Existing Employment)				7	\$285,390	\$40,770	40	25.0%					
SIZE OF PROJECT (Sq. Ft.)	SIZE OF SITE (Acres)	LOCATION OF PLANT (Include Municipality & Mailing Address):				COUNTY:							
73,622	10.169	790 South Street Saegertown, Pennsylvania 16433 (Saegertown Borough)				Crawford							
PURPOSE OF PROJECT (Please check appropriate box(es))													
<input type="checkbox"/>	To construct new building			<input type="checkbox"/>	To expand in new location within Pa. (Not a relocation)								
<input type="checkbox"/>	To expand existing building			<input type="checkbox"/>	To relocate/expand existing plant from _____ (Name of State)								
<input type="checkbox"/>	To acquire existing building			<input checked="" type="checkbox"/>	To acquire and renovate existing building								
Other:													
PIDA LOAN REQUESTED	TOTAL PROJECT COST	COST PER SQ. FT. (Building Costs Only)	COST PER JOB TOTAL PROJECT	COST PER JOB-PIDA									
\$412,500	\$825,000	\$8.83	\$33,000	\$16,500									
METHOD OF FINANCING													
1. FIRST MORTGAGE _____ 40 % Participation				3. OTHER PARTICIPATION _____ % Participation									
a. Amount \$330,000				a. Amount _____									
b. Name of Mortgagee First National Bank				b. Interest Rate _____									
c. Interest Rate FHLB + 2.75% (4.81%)				c. Term _____									
d. Term 10 years				d. By Whom _____									
e. Person to contact _____				4. OTHER PARTICIPATION _____ 10 % Participation									
Telephone number _____				a. Amount \$82,500									
2. PIDA MORTGAGE _____ 50 % Participation				b. Interest Rate na									
a. Amount \$412,500				c. Term na									
b. Interest Rate 2.25%				d. By Whom Company									
c. Term 10 years													
PIDA USE ONLY													
<input type="checkbox"/>	State or Federal Enterprise Zone	<input type="checkbox"/>	Brownfield Site	<input type="checkbox"/>	Financially Distressed (Act 47)	<input type="checkbox"/>	Advanced Technology	<input type="checkbox"/>	GAT Project	<input type="checkbox"/>	KOZ	<input type="checkbox"/>	KOEZ
CRITICAL ECONOMIC AREA		UNEMPLOYMENT RATE			PIDA PARTICIPATION		GENERAL FUNDS		BOND FUNDS				
Crawford County		7.7% <input type="checkbox"/> 5-10 Years <input checked="" type="checkbox"/> 12 Mo.			50 %		<input checked="" type="checkbox"/>		<input type="checkbox"/>				

Economic Progress Alliance of Crawford County
MAJR Products Corporation
#9568

Company Background: Founded and incorporated in Pennsylvania in 1992.

Product: Manufactures EMI and RFI gasketing and shielding products and does light metal fabrication.

Ownership:	MAJR Products Corporation	HSG Real Estate, LLC
Donald Hester	42.86%	42.86%
Paul Shok	42.86%	42.86%
William Grasinger	<u>14.28%</u>	<u>14.28%</u>
	100%	100%

Market/Customers: Geographic market area is worldwide. 10% of sales are export.

Over 400 customers including:

901D	15%
Raytheon	5%
Lockheed Martin	5%

Other Data: MAJR Products Corporation is currently operating 3.5 miles from the project site in 17,000 square feet of leased space which they have outgrown.

This project involves the purchase and renovation of two buildings totaling 73,622 square feet on 10 acres. 16,009 square feet (22%) will be leased to Meadville Forging Company, L.P. to be used as warehouse space. MAJR Products Corporation will occupy the remainder of the space. This will allow the manufacture of a new product line and increase capacity for existing products.

The site was formerly occupied by Multi-Tool and Multi-Plastics until the parent company, CORE Manufacturing, declared bankruptcy in 2009. The building was purchased by WRB Enterprise LLC in 2012 but has not been fully occupied.

Non-Prejudicial:	Acquisition Price:	\$650,000
3/26/14	Appraisal:	\$750,000

THE PENNSYLVANIA INDUSTRIAL DEVELOPMENT AUTHORITY SUMMARY LOAN APPLICATION				PIDA # 9569	
				DATE: June 4, 2014	
APPLICANT (Industrial Development Agency): EIDCO, Inc.					
ADDRESS: 5240 Knowledge Parkway, Erie, PA 16510					
PERSON TO CONTACT: Karen Clark			TELEPHONE NUMBER: (814) 899-6022		
COMPANY (If this company (or affiliate) has ever had a PIDA loan, please check box)					
Occupant: Grimm Industries, Inc.			Beneficial Owner: Grimm Properties, LLC		<input checked="" type="checkbox"/>
PRESIDENT: Beatus (Butch) Grimm		MAILING ADDRESS: 7070 West Ridge Road, Fairview, PA 16415		TELEPHONE NUMBER: (814) 474-2648	
PRODUCT: Plastic Injection Molding		NAICS # 3261		PERSON TO CONTACT AND TITLE: Butch Grimm, President	
				TELEPHONE NUMBER: (814) 474-2648	
TYPE OF ENTERPRISE:					
<input checked="" type="checkbox"/>	Manufacturing	<input type="checkbox"/>	Regional or National Headquarters	<input type="checkbox"/>	Research & Development
<input type="checkbox"/>	Warehouse & Terminal	<input type="checkbox"/>	Industrial	<input type="checkbox"/>	Agri-Business
<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	Computer or Clerical Operation Center
TOTAL EXISTING EMPLOYMENT (Include parent, subsidiaries & affiliates)				Check box if SMALL BUSINESS	
Pennsylvania <u>200</u> Worldwide, Include Pa. <u>200</u>				(Less than 50 existing employees) <input type="checkbox"/>	
EMPLOYMENT THIS SITE ONLY:					
					TOTAL
					PAYROLL (Annually)
					AVERAGE WAGE (Annually)
					AVERAGE HRS. WORKED (Weekly)
					ADD % BENEFITS
Existing Employment (Include jobs transferred to this site)					200
New Employment in Three Years (Do Not Include Existing Employment)					0
SIZE OF PROJECT (Sq. Ft.) 91,396		SIZE OF SITE (Acres) 15		LOCATION OF PLANT (Include Municipality & Mailing Address): 6960 West Ridge Road Fairview, PA 16415 (Fairview Township)	
				COUNTY: Erie	
PURPOSE OF PROJECT (Please check appropriate box(es))					
<input type="checkbox"/>	To construct new building			<input type="checkbox"/>	To expand in new location within Pa. (Not a relocation)
<input type="checkbox"/>	To expand existing building			<input type="checkbox"/>	To relocate/expand existing plant from _____ (Name of State)
<input checked="" type="checkbox"/>	To acquire existing building			<input type="checkbox"/>	To acquire and renovate existing building
Other:					
PIDA LOAN REQUESTED \$680,000		TOTAL PROJECT COST \$1,700,000		COST PER SQ. FT. (Building Costs Only) \$18.60	
				COST PER JOB TOTAL PROJECT \$8,500	
				COST PER JOB-PIDA \$3,400	
METHOD OF FINANCING					
1. FIRST MORTGAGE <u>50</u> % Participation			3. OTHER PARTICIPATION _____ % Participation		
a. Amount <u>\$850,000</u>			a. Amount _____		
b. Name of Mortgagee <u>First National Bank</u>			b. Interest Rate _____		
c. Interest Rate <u>4.89%</u>			c. Term _____		
d. Term <u>15 yrs.</u>			d. By Whom _____		
e. Person to contact _____			4. OTHER PARTICIPATION <u>10</u> % Participation		
Telephone number _____			a. Amount <u>\$170,000</u>		
2. PIDA MORTGAGE <u>40</u> % Participation			b. Interest Rate <u>--</u>		
a. Amount <u>\$680,000 (Shared 1st)</u>			c. Term _____		
b. Interest Rate <u>2.25%</u>			d. By Whom <u>Company Equity</u>		
c. Term <u>15 yrs</u>					
PIDA USE ONLY					
<input type="checkbox"/>	State or Federal Enterprise Zone	<input type="checkbox"/>	Brownfield Site	<input type="checkbox"/>	Financially Distressed (Act 47)
<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	Advanced Technology
<input checked="" type="checkbox"/>		<input type="checkbox"/>		<input checked="" type="checkbox"/>	GAT Project
<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	KOZ
<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	KOEZ
CRITICAL ECONOMIC AREA Erie County		UNEMPLOYMENT RATE <u>7.9%</u> <input type="checkbox"/> 5-10 Years <input checked="" type="checkbox"/> 12 Mo.		PIDA PARTICIPATION <u>40</u> %	
				GENERAL FUNDS <input checked="" type="checkbox"/>	
				BOND FUNDS <input type="checkbox"/>	

EIDCO, Inc.

Grimm Industries, Inc.

PIDA #9569

DCED #201404307461

Company Background: Grimm Industries was found in 1967 and Incorporated in 1972.

Product: The Company is a manufacturer of plastic injection molding that focuses on the design, production, decoration and assembly of point of sale displays and children's toys.

Ownership: Grimm Industries, Inc.

- Beatus (Butch) Grimm 100%

Grimm Properties LLC

- Beatus (Butch) Grimm 49%
- Beatrice Grimm 51%

Markets/Customers: Primary market area is nationwide.

120 customers including:

MGA/Little Tikes	41%
Inbev/Anheuser Busch	32%
Staples Promotional Products	6%
Yuengling Brewery	6%

Other data: Grimm Industries, Inc. is proposing to purchase and renovate a 91,396 sq. ft. manufacturing space located at 6960 West Ridge Road, Erie County. The subject property is the former site of Flex Y Plan Industries and has been on the market for four years prior to Grimm Industries entering into a lease with Flex Y Plan eighteen months ago. The company currently operates within two other owned facilities at 8475 Middle Rd. (PIDA site) and 7070 West Ridge Rd., both located within three miles of this proposed PIDA site.

Previous PIDA:

PIDA #	Address	Closed	Amount	Balance	Jobs
9383	8475 Middle Rd., Fairview	9/28/2011	\$ 460,500	396,282.09	Retain 140 / Create 10
7308	J.R. Baldwin Bussiness Park, Erie	4/4/1995	\$ 408,000	PAID OFF	Retain 30 / Create 31

THE PENNSYLVANIA INDUSTRIAL DEVELOPMENT AUTHORITY SUMMARY LOAN APPLICATION				PIDA # 9570	
DATE: June 4, 2014					
APPLICANT (Industrial Development Agency): Franklin County Area Development Corporation					
ADDRESS: 1900 Wayne Road, Chambersburg, Pennsylvania 17202					
PERSON TO CONTACT: L. Michael Ross			TELEPHONE NUMBER: 717-263-8282		
COMPANY (If this company (or affiliate) has ever had a PIDA loan, please check box)					
Occupant: Gabler Trucking, Inc.			Beneficial Owner: H C Gabler, Inc		
PRESIDENT: Harold C. Gabler III		MAILING ADDRESS: 5195 Technology Avenue, Chambersburg, Pennsylvania 17201		TELEPHONE NUMBER: 717-264-4184	
PRODUCT: Logistics		NAICS # 4931	PERSON TO CONTACT AND TITLE: Harold Gabler III, General Manager		TELEPHONE NUMBER: 717-264-4184
TYPE OF ENTERPRISE:					
<input type="checkbox"/> Manufacturing	<input type="checkbox"/> Regional or National Headquarters		<input type="checkbox"/> Research & Development		<input type="checkbox"/> Agri-Business
<input checked="" type="checkbox"/> Warehouse & Terminal	<input type="checkbox"/> Industrial		<input type="checkbox"/> Computer or Clerical Operation Center		
TOTAL EXISTING EMPLOYMENT (Include parent, subsidiaries & affiliates)			Check box if SMALL BUSINESS		
Pennsylvania <u>63</u> Worldwide, include Pa. <u>63</u>			(Less than 50 existing employees) <input type="checkbox"/>		
EMPLOYMENT THIS SITE ONLY:				TOTAL	PAYROLL
					(Annually)
Existing Employment (Include jobs transferred to this site)				63	\$3,211,000
New Employment in Three Years (Do Not Include Existing Employment)					
SIZE OF PROJECT (Sq. Ft.) 61,000		SIZE OF SITE (Acres) 29.5	LOCATION OF PLANT (Include Municipality & Mailing Address): 5195 Technology Avenue Chambersburg, Pennsylvania 17201 (Greene Township)		COUNTY: Franklin
PURPOSE OF PROJECT (Please check appropriate box(es))					
<input type="checkbox"/> To construct new building	<input type="checkbox"/> To expand in new location within Pa. (Not a relocation)				
<input checked="" type="checkbox"/> To expand existing building	<input type="checkbox"/> To relocate/expand existing plant from _____ (Name of State)				
<input type="checkbox"/> To acquire existing building	<input type="checkbox"/> To acquire and renovate existing building				
Other:					
PIDA LOAN REQUESTED \$800,000		TOTAL PROJECT COST \$2,250,000	COST PER SQ. FT. (Building Costs Only) \$32.79	COST PER JOB TOTAL PROJECT \$35,714	COST PER JOB-PIDA \$12,698
METHOD OF FINANCING					
1. FIRST MORTGAGE <u>53</u> % Participation			3. OTHER PARTICIPATION _____ % Participation		
a. Amount <u>\$1,200,000</u>			a. Amount _____		
b. Name of Mortgagee <u>M&T Bank</u>			b. Interest Rate _____		
c. Interest Rate <u>2.75%</u>			c. Term _____		
d. Term <u>5 years (20 yr. amortization)</u>			d. By Whom _____		
e. Person to contact <u>J. Bret Elbin</u>			4. OTHER PARTICIPATION <u>11</u> % Participation		
Telephone number <u>717-261-2842</u>			a. Amount <u>\$250,000</u>		
2. PIDA MORTGAGE <u>36</u> % Participation			b. Interest Rate <u>na</u>		
a. Amount <u>\$800,000</u>			c. Term <u>na</u>		
b. Interest Rate <u>2.25%</u>			d. By Whom <u>Company</u>		
c. Term <u>15 years</u>					
PIDA USE ONLY					
<input type="checkbox"/> State or Federal Enterprise Zone	<input type="checkbox"/> Brownfield Site	<input type="checkbox"/> Financially Distressed (Act 47)	<input type="checkbox"/> Advanced Technology	<input type="checkbox"/> GAT Project	<input type="checkbox"/> KOZ
<input type="checkbox"/> KOE2					
CRITICAL ECONOMIC AREA Franklin County		UNEMPLOYMENT RATE <u>6.9%</u> <input checked="" type="checkbox"/> 5-10 Years <input type="checkbox"/> 12 Mo.		PIDA PARTICIPATION <u>40</u> %	GENERAL FUNDS <input checked="" type="checkbox"/>
					BOND FUNDS <input type="checkbox"/>

*Franklin County Development Corporation
Gabler Trucking, Inc.*

#9570

Company Background: H.C. Gabler, Inc., the beneficial owner, began operations in 1936 transporting bulk petroleum products. In 1956 the company incorporated as a Delaware corporation. Today its primary business is as a real estate holding company. Gabler Trucking, Inc. was founded and incorporated as a Delaware corporation in 1990.

Product: Gabler Trucking, Inc. provides logistics and warehousing services.

Ownership:	Gabler Trucking, Inc.	H.C. Gabler, Inc.
Harold C. Gabler, III	50%	50%
Benjamin D. Gabler	50%	50%
	<u>100%</u>	<u>100%</u>

Market/Customers: Geographic market area includes a 300 mile radius of Chambersburg.

More than 75 customers including:

JLG Industries	43%
Volvo Construction Equipment	29%
Celtic International, Inc.	8%

Other Data: Gabler Trucking, Inc. is currently operating at the project site in a 147,500 square foot building on 20.5 acres that it owns. This project includes the purchase of 9 additional acres and the construction of a 61,000 addition.

Existing Mortgage: \$2,503,700 M&T Bank

Non-Prejudicial:
4/17/14

THE PENNSYLVANIA INDUSTRIAL DEVELOPMENT AUTHORITY SUMMARY LOAN APPLICATION				PIDA # 9571				
				DATE: June 4, 2014				
APPLICANT (Industrial Development Agency): Northampton County New Jobs Corp.								
ADDRESS: 2158 Avenue C, Suite 200, Bethlehem, Pennsylvania 18017								
PERSON TO CONTACT: John Kingsley			TELEPHONE NUMBER: 610-266-0887					
COMPANY (If this company (or affiliate) has ever had a PIDA loan, please check box)								
Occupant: Follett Corporation				Beneficial Owner: - same - <input checked="" type="checkbox"/>				
PRESIDENT: Stephen R. Follett		MAILING ADDRESS: 801 Church Lane, Easton, Pennsylvania 18040		TELEPHONE NUMBER: 610-252-7301				
PRODUCT: Ice storage equipment		NAICS # 3341	PERSON TO CONTACT AND TITLE: Rich Hooper, CFO		TELEPHONE NUMBER: 610-252-7301			
TYPE OF ENTERPRISE:								
<input checked="" type="checkbox"/> Manufacturing	<input type="checkbox"/> Regional or National Headquarters	<input type="checkbox"/> Research & Development	<input type="checkbox"/> Agri-Business					
<input type="checkbox"/> Warehouse & Terminal	<input type="checkbox"/> Industrial	<input type="checkbox"/> Computer or Clerical Operation Center						
TOTAL EXISTING EMPLOYMENT (Include parent, subsidiaries & affiliates)			Check box if SMALL BUSINESS					
Pennsylvania 333		Worldwide, include Pa. 416	(Less than 50 existing employees) <input type="checkbox"/>					
EMPLOYMENT THIS SITE ONLY:				TOTAL	PAYROLL (Annually)	AVERAGE WAGE (Annually)	AVERAGE HRS. WORKED (Weekly)	ADD % BENEFITS
Existing Employment (Include jobs transferred to this site)				333	\$19,800,000	\$59,459	40	22.7%
New Employment in Three Years (Do Not Include Existing Employment)				17	\$4,200,000	\$68,571	40	22.9%
SIZE OF PROJECT (Sq. Ft.) 10,000		SIZE OF SITE (Acres) 21.35	LOCATION OF PLANT (Include Municipality & Mailing Address): 801 Church Lane Easton, Pennsylvania 18040 (Forks Township)			COUNTY: Northampton		
PURPOSE OF PROJECT (Please check appropriate box(es))								
<input type="checkbox"/>	To construct new building				<input type="checkbox"/>	To expand in new location within Pa. (Not a relocation)		
<input checked="" type="checkbox"/>	To expand existing building				<input type="checkbox"/>	To relocate/expand existing plant from _____ (Name of State)		
<input type="checkbox"/>	To acquire existing building				<input type="checkbox"/>	To acquire and renovate existing building		
Other:								
PIDA LOAN REQUESTED \$1,950,000		TOTAL PROJECT COST \$3,900,000		COST PER SQ. FT. (Building Costs Only) \$295.00	COST PER JOB TOTAL PROJECT \$11,143		COST PER JOB-PIDA \$5,571	
METHOD OF FINANCING								
1. MORTGAGE _____ % Participation				3. OTHER PARTICIPATION _____ % Participation				
a. Amount _____				a. Amount _____				
b. Name of Mortgagee _____				b. Interest Rate _____				
c. Interest Rate _____				c. Term _____				
d. Term _____				d. By Whom _____				
e. Person to contact _____				4. OTHER PARTICIPATION _____ 50 % Participation				
Telephone number _____				a. Amount \$1,950,000				
FIRST								
2. PIDA MORTGAGE _____ 50 % Participation				b. Interest Rate na				
a. Amount \$1,950,000				c. Term na				
b. Interest Rate 2.25%				d. By Whom Company				
c. Term 15 years								
PIDA USE ONLY								
<input type="checkbox"/> State or Federal Enterprise Zone	<input type="checkbox"/> Brownfield Site	<input type="checkbox"/> Financially Distressed (Act 47)	<input type="checkbox"/> Advanced Technology	<input type="checkbox"/> GAT Project	<input type="checkbox"/> KOZ	<input type="checkbox"/> KOEZ		
CRITICAL ECONOMIC AREA Northampton County		UNEMPLOYMENT RATE 8.4% <input type="checkbox"/> 5-10 Years <input checked="" type="checkbox"/> 12 Mo.		PIDA PARTICIPATION 50 %		GENERAL FUNDS <input checked="" type="checkbox"/>		BOND FUNDS <input type="checkbox"/>

*Northampton County New Jobs Corporation
Follett Corporation*

#9571

Company Background: Founded and incorporated in 1948 and incorporated in Pennsylvania in 1967.

Product: Manufactures ice related products for the food service, healthcare, and hospitality industries. Products include ice storage and transport bins, ice and beverage dispensers, and medical grade refrigerators and freezers.

Ownership: 63% Follett family
 20% ESOP
 17% Other individuals
 100%

Market/Customers: Geographic market area includes the United States and Europe. 7% of sales are export.

Over 1,800 customers including:
Manitowoc 3%
Trimark Gill Marketing 2%
Aramark 2%

Other Data: In 2013 PIDA approved a loan for the construction of a 25,000 square foot addition for the purpose of revising the layout of the production process to increase capacity, competitiveness and quality. That project is complete, the PIDA loan fully disbursed, and 48 of the 50 new jobs promised have already been created.

This project will construct a 10,000 square foot addition to the office area bringing the total size of the building to 156,400 square feet. The project will also increase parking and re-configure an entrance way to improve traffic continuity and safety, and allow the company to use larger trucks.

New employees will include union labor positions, product and industrial engineers, sales, and quality control staff.

The company also operates a 40,000 square foot facility in Poland.

High Cost per Square Foot

The office building project will have a high level of finish and the construction company doing the work is a premier builder. These are preliminary estimates provided by the engineer and they expect this project to come-in under budget.

<u>Previous</u> <u>PIDA Loans</u>	<u>Location</u>	<u>Closed</u>	<u>Original</u> <u>Amount</u>	<u>(Balance)</u>	<u>Jobs Projected/</u> <u>Created</u>
#3761	Forks township	10/15/66	\$ 197,070	(paid off)	130/220
#9517	Forks Township	2/19/14	\$1,775,990	\$1,758,370	50/48

THE PENNSYLVANIA INDUSTRIAL DEVELOPMENT AUTHORITY SUMMARY LOAN APPLICATION				PIDA # 9503	
				DATE: June 4, 2014	
APPLICANT (Industrial Development Agency): Regional Industrial Development Corporation of Southwestern Pennsylvania					
ADDRESS: 210 Sixth Avenue, Suite 3620, Pittsburgh PA 15222					
PERSON TO CONTACT: Colleen B. Poremski			TELEPHONE NUMBER: 412-315-6442		
COMPANY (If this company (or affiliate) has ever had a PIDA loan, please check box)					
Occupant: Multi-Occupancy Building				Beneficial Owner: The RIDC Regional Growth Fund <input checked="" type="checkbox"/>	
PRESIDENT: Donald F. Smith, Jr.		MAILING ADDRESS: 210 Sixth Avenue, Suite 3620, Pittsburgh PA 15222		TELEPHONE NUMBER: 412-315-6442	
PRODUCT: N/A		NAICS # 531120		PERSON TO CONTACT AND TITLE: Colleen B. Poremski, Corporate Secretary	
				TELEPHONE NUMBER: 412-315-6442	
TYPE OF ENTERPRISE:					
<input type="checkbox"/>	Manufacturing	<input type="checkbox"/>	Regional or National Headquarters	<input type="checkbox"/>	Research & Development
<input type="checkbox"/>	Warehouse & Terminal	<input checked="" type="checkbox"/>	Industrial	<input type="checkbox"/>	Agri-Business
<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	Computer or Clerical Operation Center
TOTAL EXISTING EMPLOYMENT (Include parent, subsidiaries & affiliates)			Check box if SMALL BUSINESS		
Pennsylvania N/A Worldwide, Include Pa. N/A			(Less than 50 existing employees) <input type="checkbox"/>		
EMPLOYMENT THIS SITE ONLY:		TOTAL	PAYROLL (Annually)	AVERAGE WAGE (Annually)	AVERAGE HRS. WORKED (Weekly)
Existing Employment (Include jobs transferred to this site)		100	\$	\$	%
New Employment in Three Years (Do Not Include Existing Employment)		10	\$	\$	%
SIZE OF PROJECT (Sq. Ft.) 297,622	SIZE OF SITE (Acres) 400	LOCATION OF PLANT (Include Municipality & Mailing Address): 1001 Technology Drive East Huntingdon, Pennsylvania 15666 (East Huntingdon Township)			COUNTY: Westmoreland
PURPOSE OF PROJECT (Please check appropriate box(es))					
<input type="checkbox"/>	To construct new building	<input type="checkbox"/>	To expand in new location within Pa. (Not a relocation)		
<input type="checkbox"/>	To expand existing building	<input type="checkbox"/>	To relocate/expand existing plant from _____ (Name of State)		
<input type="checkbox"/>	To acquire existing building	<input checked="" type="checkbox"/>	To renovate existing building		
Other:					
PIDA LOAN REQUESTED	TOTAL PROJECT COST	COST PER SQ. FT. (Building Costs Only)	COST PER JOB TOTAL PROJECT	COST PER JOB-PIDA	
\$2,083,254	\$5,208,135	\$17.13	N/A	N/A	
METHOD OF FINANCING					
1. FIRST MORTGAGE _____ % Participation			3. OTHER PARTICIPATION _____ % Participation		
a. Amount _____			a. Amount _____		
b. Name of Mortgagee _____			b. Interest Rate _____		
c. Interest Rate _____			c. Term _____		
d. Term _____			d. By Whom _____		
e. Person to contact _____					
Telephone number _____					
2. PIDA MORTGAGE 40 % Participation			4. OTHER PARTICIPATION 60 % Participation		
a. Amount \$2,083,254			a. Amount \$3,124,881		
b. Interest Rate 1.8%			b. Interest Rate n/a		
c. Term 15 years			c. Term n/a		
			d. By Whom The RIDC Regional Growth Fund		
PIDA USE ONLY					
<input type="checkbox"/>	State or Federal Enterprise Zone	<input checked="" type="checkbox"/>	Brownfield Site	<input type="checkbox"/>	Financially Distressed (Act 47)
<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	Advanced Technology
<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	GAT Project
<input type="checkbox"/>		<input type="checkbox"/>		<input checked="" type="checkbox"/>	KOZ
<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	KOEZ
CRITICAL ECONOMIC AREA	UNEMPLOYMENT RATE		PIDA PARTICIPATION	GENERAL FUNDS	BOND FUNDS
Westmoreland County	8.0%	<input type="checkbox"/> 5-10 Years <input checked="" type="checkbox"/> 12 Mo.	40 %	<input checked="" type="checkbox"/>	<input type="checkbox"/>

IDC Background:

The Pennsylvania Industrial Development Authority has approved 80 Multi-Occupancy Building loans totaling \$81,998,002 for the RIDC of Southwestern PA. Of those 80 loans:

- 12 loans totaling \$16,135,000 remain outstanding with a balance of \$9,787,766.
- 2 loans in the amount of \$3,340,000 have been approved but not yet closed.
- 54 loans totaling \$49,486,802 have been paid off
- 12 Loans totaling \$13,036,200 were rescinded by the IDC prior to closing.

Project Details:

This project involves the renovation of a portion of the former Sony building which consists of 2,800,000 square feet of space on 400 acres. Approximately 20% of that space is in use.

Utilities for the majority of the building are distributed from a Central Utility Plant (CUP) where all the major mechanical equipment is located. The existing equipment in the CUP is near the end of its useful life, inefficient and expensive to operate. As part of the redevelopment strategy for the building the CUP will be eliminated in favor of a tenant based utilities structure, resulting in lower operating costs.

The improvements include:

- Reroofing the new tenant's space
- HVAC system
- Demising wall
- Interior truck court
- Office and other tenant build out improvements

Other Data:

This is a request to increase the most recent loan approval by \$843,254 from \$1,240,000 to \$2,083,254. The original loan approval was related to the expansion of Dai Nippon Printing (DAI) which occupied 135,000 square feet and agreed to lease an additional 26,000 square feet. That project was completed with company funds.

The project now involves fit out for a new tenant. The new tenant will lease 297,622 square feet including 8,985 sf of office space and 288,000 sf for manufacturing and distribution.

RESOLVED, THAT EACH OF THE LOANS HERETOFORE APPROVED IS SUBJECT TO THE FOLLOWING CONDITIONS:

1. In the event that the Premises to be mortgaged has been or at any time during the term of the loan is identified as being in a Flood Hazard Area by the United States Federal Emergency Management Agency, the Industrial Occupant shall obtain flood insurance as provided by the National Flood Insurance Act of 1968, as amended.
2. The Beneficial Owner and/or the Industrial Occupant shall be obligated to and do hereby agree to promptly provide whatever information relating to the project is required and requested by this Authority. Upon failing to do so the Authority may, at its discretion, declare that a material default has occurred and take such action as it deems appropriate.
3. All contracts for the construction, renovation, expansion or improvement of the Authority project shall include the Commonwealth's Standard Non-Discrimination Clause, which is attached hereto and incorporated herein as Exhibit "A".
4. There shall be no material adverse change in the financial condition of the above captioned company, or the guarantors, if any, from that disclosed by the financial statements delivered to this Authority as a part of the Application.
5. Prior to the closing, the Industrial Agency shall provide this Authority with satisfactory evidence on behalf of said Company and its affiliates, that all taxes and other monies due and owing to the Commonwealth of Pennsylvania are paid current as of the closing date, unless any of said taxes or other payments are being contested, in which case this Authority will require that funds be escrowed to pay said taxes or other payments in the event of any adverse decision.

EXHIBIT "A"

NONDISCRIMINATION/SEXUAL HARASSMENT CLAUSE

During the term of the contract, Contractor agrees as follows:

1. In the hiring of any employee(s) for the manufacture of supplies, performance of work, or any other activity required under the contract or any subcontract, the Contractor, subcontractor, or any person acting on behalf of the Contractor or subcontractor shall not, by reason of gender, race, creed, or color, discriminate against any citizen of this Commonwealth who is qualified and available to perform the work to which the employment relates.

2. Neither the Contractor nor any subcontractor nor any person on their behalf shall in any manner discriminate against or intimidate any employee involved in the manufacture of supplies, the performance of work, or any other activity required under the contract on account of gender, race, creed, or color.

3. Contractors and subcontractors shall establish and maintain a written sexual harassment policy and shall inform their employees of the policy. The policy must contain a notice that sexual harassment will not be tolerated and employees who practice it will be disciplined.

4. Contractors shall not discriminate by reason of gender, race, creed, or color against any subcontractor or supplier who is qualified to perform the work to which the contracts relate.

5. The Contractor and each subcontractor shall furnish all necessary employment documents and records to and permit access to their books, records, and accounts by the contracting agency and the Bureau of Contract Administration and Business Development, for purposes of investigation, to ascertain compliance with provisions of this Nondiscrimination/Sexual Harassment Clause. If the Contractor or any subcontractor does not possess documents or records reflecting the necessary information requested, the Contractor or subcontractor shall furnish such information on reporting forms supplied by the contracting agency or the Bureau of Contract Administration and Business Development.

6. The Contractor shall include the provisions of this Nondiscrimination/Sexual Harassment Clause in every subcontract so that such provisions will be binding upon each subcontractor.

7. The Commonwealth may cancel or terminate the contract, and all money due or to become due under the contract may be forfeited for a violation of the terms and conditions of this Nondiscrimination/Sexual Harassment Clause. In addition, the agency may proceed with debarment or suspension and may place the Contractor in the Contractor Responsibility File.

OTHER LOAN MATTERS:

Michael Schaul abstained from voting on loan #8218.

A.) SPECIAL REQUESTS – BOARD ACTION REQUIRED

#8218	Scranton Lackawanna Industrial Building Company	Closed 11-17-99, 11-16-00,
#8414	Kane Warehousing Inc. and Kane Distribution, Inc.	3-10-06 AND 5-30-07
#8906	(Lackawanna County)	\$7,250,000
#9086		Aggregate Bal. \$2,554,767

Request: Release the PIDA mortgages on a 51.57 acre parcel of land containing a warehouse financed by PIDA, commonly known as Building DC#6, which the company intends to sell for approximately \$39,000,000 and waive the requirement of any prepayment of the PIDA loan as a result of the sale.

Staff Recommendation: Reject the request for PIDA loans #8218, #8414, and #9086. PIDA is required by law to have a mortgage on all project sites financed with PIDA funds. Since the above referenced PIDA loans financed improvements in the building being sold, the three PIDA loans must be fully satisfied as a result of the sale.

PIDA loan #8906 was used to finance an expansion of Building DC#7. The total project cost of the expansion was \$6,000,000 and the PIDA loan of \$1,750,000 has been paid down to a balance of \$896,693. This PIDA loan has a sole first mortgage on the 66,513 sq. ft. warehouse facility. In addition to the sole first mortgage on the project property, a collateral mortgage was also placed on Building DC#6. December 31, 2013 financial statements of Kane is Able, Inc. and affiliates, reflected total equity of \$54.7 million, a total leverage ratio of .5 to 1 and a net income of \$10,347,000, on gross revenue of \$122.1 million. These results would easily support the repayment of the PIDA loan balance of \$896,693.

Considering that the PIDA loan will continue to have a sole first mortgage on the original 66,513 sq. ft. Building DC#7 and in light of the very strong financial position and operating results of this large trucking and warehouse operation, the PIDA staff recommends the release of the collateral mortgage securing PIDA #8906, which is currently held on the property being sold, subject to the following condition.

That the three PIDA loans, #8218, #8414 and #9086 be satisfied upon the sale of Building DC #6.

#9565 Bucks County Economic Development Corporation AA 5-7-14
Megawholesale, Inc. \$375,000
(Bucks County)

Request: Modify commitment letter, which required SR Wholesale LLC and Cigar Imports Inc. to execute loan documents as co-borrowers rather than guarantors if the same is required by the senior lender, in which case those companies' full time jobs would have been included in determining whether the job creation/retention requirements were satisfied, and instead allow those firms to execute Guaranty and Suretyship Agreements. Those companies' jobs will not be considered in determining whether the project's job creation requirement has been met.

Staff Recommendation: Approve

B.) SPECIAL REQUESTS – STAFF APPROVED

#8985	PIDC Financing Corporation Dietz & Watson, Inc. (Philadelphia County)	Closed 2-24-05 \$1,575,000 Bal. \$759,631
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Staff Action: Consented to the termination of the Installment Sale Agreement between PIDC Financing Corporation and Dietz & Watson, Inc., and the conveyance of the project property to Dietz & Watson, Inc. under and subject to the PIDA mortgage.

#9101	PIDC Financing Corporation George F. Kempf Supply Co., Inc. (Philadelphia County)	Closed 4-28-06 \$1,400,000 Bal. \$737,586
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Staff Action: Consented to: 1.) The amendment of the first mortgage on the project site, now held by M&T bank, to correct the legal description of the mortgaged property. 2.) The placement of a \$4,915,825 subordinate mortgage in favor of M&T Bank.

#9397	Johnstown Industrial Development Corporation Martin-Baker America, Inc. (Cambria County)	AA 4-8-10 \$2,000,000
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Staff Action: Approved an extension of the loan closing deadline until July 31, 2014.

#9485	Altoona Blair County Development Corporation SilcoTek Corporation (Centre County)	AA 6-6-12 \$1,750,000
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Staff Action: In connection with the subordinate assignment / security interest in the note receivable held by Paul Silvis (the Guarantor) and the related payments on it from Restek Corporation in the principal amount of \$20,000,000, which will secure Mr. Silvis' personal guaranty of the PIDA loan, the PIDA staff consents to:

- 1.) The PIDA assignment being subordinate to an assignment / security interest in the interest due on this note to secure a \$1.5 million loan from Penn State Credit Union, which will replace the previous senior assignee, Kish Bank.
- 2.) Limiting PIDA's security interest in the Note to no more than \$1,750,000.

#9532 Tioga County Development Corporation AA 5-2-13
PMF Industries, Inc. \$225,000
(Lycoming County)

Staff Action: Approved an extension of the PIDA loan closing deadline until August 31, 2014.

#9539 Greater Berks Development Fund AA 7-3-13
Gateway Ticketing Systems, Inc. \$2,000,000
(Berks County)

Staff Action: Approved an extension of the PIDA loan closing deadline until December 31, 2014.

#9550 Greater Hazelton CANDO AA 9-4-13
DBI Services, LLC \$2,250,000
(Luzerne County)

Staff Action: Consented to the conversion of the Guarantor, from a Delaware corporation (DBI Holding Corp.) to a Delaware limited liability company (DBI Holding, LLC), with no change in the entity's assets.

#9556 York County economic Development Corporation AA 12-4-13
Pet Food Experts, Inc. \$2,000,000
(Lancaster County)

Staff Action: Approved an extension of the deadline to accept the PIDA commitment letter and submit the PIDA commitment fee until June 30, 2014.

#9561 Mifflin County Industrial Development Corporation AA 3-5-14
Meeker Equipment Co., Inc. \$400,000
(Mifflin County)

Staff Action: Consented to a change of the Beneficial Owner from MGH Group Holdings PA, LP to MGH Group PA, LLC.

C.) SPECIAL REQUESTS – LOAN INCREASES

#9538	Economic Progress Alliance of Crawford County Peter's Heat Treating, Inc. (Crawford County)	AA 5-2-13 \$359,962
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Request: Approve an increase in the PIDA loan amount, from \$359,962 to \$392,769.

Staff Recommendation: This PIDA loan was approved in May, 2013 in the amount of \$410,000. PIDA will have a pro rata shared first mortgage on the project. In May, 2014 a decrease in the PIDA loan was requested, due to insufficient eligible project costs to justify a PIDA disbursement of \$410,000. However, since that approval, additional project costs were presented to the IDC and submitted on a revised Affidavit of Cost. As a result of the revised Affidavit, the IDC is now requesting an increase in the PIDA loan to \$392,769. The new proposed PIDA amount will be lower than the original approved amount of \$410,000.

Updated 2013 financial statements indicate a decline in net income, from \$159,175 to \$39,700. However, depreciation expense increased by \$189,000 in 2013 and officer's wages increased from \$440,000 to \$504,050. Because the Company is a regular "C" corporation for federal tax purposes, the owners draw most of the income out as wages to reduce double taxation of that income. The demonstrated cash flow is satisfactory to support the debt service on the original \$410,000 PIDA loan. Therefore, the PIDA staff recommends approval of an increase in the PIDA loan, from \$359,962 to \$392,769.

D.) SPECIAL REQUESTS – LOAN RESCISSIONS

None

NEW BUSINESS

- 1) RESOLVED, that the Authority hereby authorizes the execution of an agreement with the Pennsylvania Treasury , under which the Treasury will provide investment management services to the Authority with respect to the Authority's available funds.

There being no further business to bring before the Members at this time, the meeting was on motion duly adjourned at 10:40 a.m.

Assistant Secretary